



Frequently Asked Questions

(and Answers from the SCAO/FOCB)

FAQ 2003-01

March 28, 2003

Converting and Prorating Monthly Support Amounts

The State Court Administrative Office has received several questions related to the recent statutory change requiring support orders to be stated in monthly amounts. Public Act 565 of 2002, which took effect December 1, 2002, requires all support orders to be stated in monthly amounts, and directs the State Court Administrative Office to establish a formula for conversion (SCAO ADM 2002-10).

This FAQ answers specific questions related to the conversion process, and provides an equation for prorating support amounts. Tools designed in Excel to assist with converting, prorating, and adjusting support amounts are attached to this email message.

Q: Are FOC offices required to change all support orders to monthly amounts or only new orders entered after December 1, 2002?

A: FOC offices should be establishing monthly support amounts in all new orders. Orders established before December 1, 2002 may be converted manually, or at the time of conversion to MiCSES 2.4. FOC offices should discuss which course of action is best with their site conversion team.

Q: How was the conversion formula derived?

A: For a full explanation, please refer to SCAO ADM 2002-10 at <http://courts.michigan.gov/scao/resources/other/scaoadm/2002/2002-10.pdf>

Q: How is the support amount prorated when changes in an order occur after the first of the month?

A: The equation for prorating support is: $C_b - ((C_b - C_n) \times .033 \times D_n)$

C_b = Beginning monthly charge

.033 = Daily Adjustment

D_n = Number of days new amount effective

C_n = New Monthly Charge amount

An Excel spreadsheet for converting and prorating support can be downloaded from <http://www.courts.michigan.gov/scao/resources/publications/focbnewsletters/prorateCS3.xls>

Example:

Support is modified from \$75 per week to \$500 per month beginning February 15.

First, convert the weekly support amount into a monthly amount: $\$75 = \326.25 .

Next, prorate the support amounts using the formula above:

$326.25 - (326.25 - 500) \times .033 \times 14 = \407 .

The prorated amount for the month of February is \$407.

Q: How does the change in the charge cycle and charge amount affect income withholding notices (IWNs)?

A: The conversion to monthly support orders does not affect the IWN. The federal form allows fields to be entered for any pay cycle (weekly, biweekly, monthly) to allow the employer to match the cycle it uses for payroll. With the change to a monthly support order, the same amount of money should be deducted through the IWN and sent to the Friend of Court. The change in the support order may be viewed as an accounting change.

Q: Should the support amount be rounded up or down to ensure a whole dollar amount?

A: Yes. Any amount below .50 would be rounded down to the nearest dollar, while any amount .50 or above would be rounded up to the nearest dollar.

Q: How should FOCs explain these changes to the clients?

A: The State Court Administrative Office has developed a model press release, and an informational sheet to provide to clients. The information sheet can be found at: <http://www.courts.michigan.gov/scao/resources/publications/focbnewsletters/InfoSheet-monthlyorder.pdf>. The model press release can be found at: <http://www.courts.michigan.gov/scao/resources/publications/focbnewsletters/PressRelease-monthlysupport.pdf>

Q: How will monthly charging work with obligation end dates that occur mid-month? Will the entire month be charged or should the remainder of the month's debt be returned to the payer?

A: The statute requires the support amount to be prorated for the last month in which the order is in effect. If the payer pays more than the amount owed, the overpayment should be returned to the payer. Credit balances should be handled according to each local office's overpayment policy.

Q: Who should FOCs call with additional questions on converting and prorating support amounts?

A: If a court or friend of the court office has additional questions or comments, they should contact Bill Bartels or Kelly Beeman at (517) 373-5975; or BartelsB@courts.mi.gov; BeemanK@courts.mi.gov